



ASX Release

18 December 2007

ESTIMATED INTERIM DISTRIBUTION FOR THE SIX MONTH PERIOD ENDING 31 DECEMBER 2007

Babcock & Brown Power (ASX:BBP) announces an estimated interim distribution for the six month period ending 31 December 2007 of \$0.13 cents per stapled security.

The interim distribution is expected to be fully tax deferred.

Timetable

Key dates relating to the interim distribution are as follows:

- BBP will trade cum-distribution until close of business on Thursday, 20 December 2007, and will be quoted ex-distribution from Friday, 21 December 2007.
- The Record Date for entitlement to the interim distribution will be Monday, 31 December 2007.
- The actual interim distribution amount will be confirmed following the announcement of BBP's half year financial results on or about 27 February 2008.
- The payment of the interim distribution is expected to occur on or about 17 March 2008.

Distribution Reinvestment Plan

BBP's Distribution Reinvestment Plan ("DRP") will be in operation for the 31 December 2007 interim distribution.

BBP stapled securities issued under the DRP will be issued at a discount of 2.5% to the volume weighted average market price for BBP stapled securities sold on the ASX over the 10 trading days ending on the trading day which is 3 trading days before the date that the securities are to be allotted under the DRP.

The BBP stapled securities issued under the DRP are expected to be issued on or about 17 March 2008. A copy of the terms and conditions of the DRP can be obtained from BBP's website at www.bbpower.com

Notices in relation to participation in the DRP must be lodged with BBP's security registry, Link Market Services, **by 5.00pm (Sydney time) on the Record Date of 31 December 2007**. If securityholders have previously notified the registry regarding their election to participate in BBP's DRP and do not wish to change their instructions previously specified, no further action or notice to the registry is required.

ENDS

Further Information:

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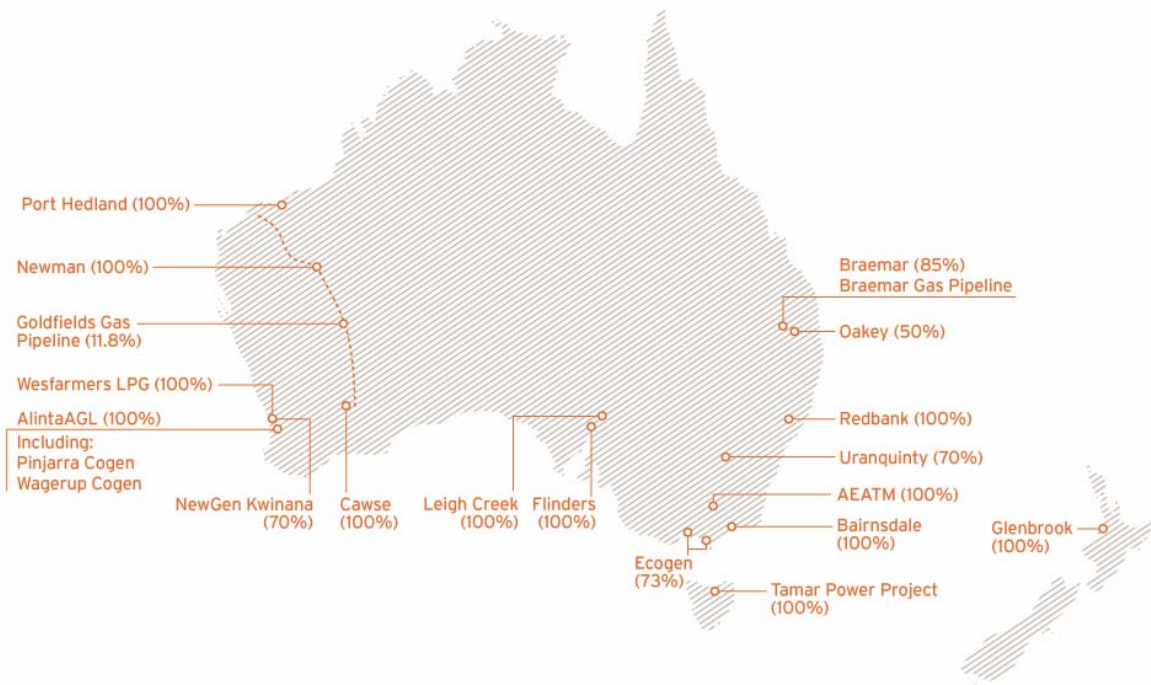
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About Babcock & Brown Power

Babcock & Brown Power (ASX:BBP) is a power generation business, with assets diversified by geographic location, fuel source, customers, contract types and operating mode. Its aim is to grow returns to its securityholders through optimisation of its existing power generation business and the addition of further generation assets and associated businesses via a combination of new construction and strategic acquisitions.

The portfolio has interests in thirteen operating power stations representing over 3,300 MW¹ of installed generation capacity and five power stations under construction. BBP has interests in a number of other associated power assets including the WA retail assets of AlintaAGL. Babcock & Brown has been developing, operating and acquiring the generation portfolio over a period of 10 years.

Portfolio Summary



For further information please visit our website: www.bbpower.com

¹ Some assets have minority shareholders.